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Influence of Quality Management Standard In the Increase of Direct Citizen Participation in Decision Making Process at Local Level

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1. Introduction

It is notable that in the recent period there are significant efforts in Bosnia and Herzegovina aimed at the advancement of local self-governance and its harmonization with the European Charter on Self-governance. With its accession to the Council of Europe, Bosnia and Herzegovina has become bound to meet relevant conditions. List of commitments defined by the Council of Europe is, in effect, a list of pre-conditions for a functional European state. The implementation of the Charter of Local Self-Government, two years upon accession, is an important part of the process of Bosnia and Herzegovina's European integration. The integral parts of the Charter of Local Self-Government are the incentives for direct citizen participation in decision-making processes, as it would be discussed later.

Most of the authors define Local Self-Government as the right of citizens to PARTICIPATE - either directly or through their representatives, elected at the free election, in managing public affairs, especially in those that concern common interest of members of local community. Constitution and Law guarantee this right. Citizens exercise local government, directly or through their representatives elected at free and democratic election.

Surveys carried out in BIH in the last couple of years have shown that:

- Participation of citizens and interest groups in political process of decision-making is very low ;
- Public debates and gatherings of citizens are rarely used in the process of decision-making, although prescribed by law;
- Citizens are not familiar with their legal rights and importance of the role they could perform in the process of creation and decision -making;
- Interest groups and local communities are not adequately represented in local councils and administration;

- Electoral system favors political parties (representatives in local councils are responsible to their parties), not the interests of their community, interest groups and citizens;
- There is no sufficient knowledge, or appropriate legislation, about modern methods, systems and technology of participation of citizens in decision-making process.

Two hundred citizens were surveyed in 2001, during the research carried out in eighteen local communities in Canton Sarajevo. The research has indicated that, in nine municipalities of Canton Sarajevo, only 36% of those surveyed know who their local representatives are. Furthermore, 39% of those surveyed had a chance to get to know the members of their municipal council only before municipal elections. In the same time, 25% of surveyed citizens do not know the members of their council at all. This gives rise to the conclusion that the activity of municipal councilors, in terms of the lack of direct communication with citizens, in most cases ends with the completion of electoral campaign. We have no relevant research results relating the relations between mayor, his/hers deputies or assistants with citizens.

Also, the statistics indicates a low percentage of citizens interested in participation in decision-making process in local communities. About 74,40 % of citizens registered for election voted in the 1991 local election in Bosnia and Herzegovina, 86,66% in local election in 1997 and 65% in 2000 and it definitely exceeds the turnout at general elections.

Local elections held in 2004 indicated the trend of decreasing turnout compared with 2000. Does it mean that citizens are much more dissatisfied with local authorities, and therefore lost interest for election? In any case, municipal authorities should take all measures to motivate citizens for participation in decision-making process.

In order to meet the requirements of the European Charter on Local Self-governance, and I order to provide the services according to citizens' requirements, a couple of municipalities in

Bosnia and Herzegovina (among them are those covered by this research: Municipality Center - Sarajevo, Tešanj and Laktaši) have harmonized their internal organization with the European standards and obtained ISO 9001/2001 quality management certificates. Our assumption is that the quality management system should result with the following:

- Increasing quality of the services provided to citizens,
- Increasing efficiency and transparency of their work,
- Involving general public, in the activities of municipal administration, etc.

This paper is a result of the research aimed at establishing whether, and to which extent, the introduction of ISO 9001/2001 quality management standard leads to an increased participation of citizens in the decision-making process at local level.

Researcher came up with an idea for conducting this research, once there were the announcements in the media started on the results of work of those municipalities that have introduced ISO 9001:2000. Considering that general problem of all municipalities in Bosnia and Herzegovina is an inadequate participation of citizens in decision-making process, the researcher was interested whether the introduction of these standards could solve the problem. The basic requirement of this standard is the orientation to the beneficiary, i.e. customer/consumer of services. Given that citizens are the beneficiaries of municipality services, primary goal of municipal authorities should be the respond to the citizens' needs. Also, this standard requires continuous improvement of organization/municipality. I think that these two requirements are extremely important and that their implementation is key to success in terms of involvement of citizens in decision-making process at local level. Basic principles of ISO standard will be discussed later.

There were six targeted municipalities in this research, four from the Federation of BIH (Sarajevo Center Municipality, Ilidža, Tešanj, and Livno) and two from the RS (Laktaši, Modriča).

The research is based on the premise that municipalities that have introduced ISO 9001/2001 quality management standards, have managed to respond to many needs of their citizens, harmonized their statutes with the European Charter on Local Self-governance and foreseen various models of citizens' participation in decision-making at local level. Therefore, the intention of this research was to establish to which extent municipalities which introduced quality management standards have increased the percentage of decisions made at local level and, in accordance with that, to which extent they have responded to the needs of their citizens. Municipalities that have not established the quality management system were chosen as control variables.

In accordance with the purpose of this research, the researcher was interested in following data for all the targeted municipalities:

- Number of decisions made by the city council in 2003/2004;
- Number of public gatherings held in 2003/2004;
- Amount of funds planned in the municipal budget for NGOs for the budgetary year 2004.

All these data were acquired from the municipal bodies upon written requests. These quantitative indicators served to establish the degree of civil participation. This research was not aimed at establishing the quality of the decisions made. Accent was put on the very participation in decision-making process at local level.

Apart from giving a general picture of the ambiance in which BIH municipalities function, legal framework for citizen participation at local level in the Federation of BIH and RS, reform trends with respect to local self-governance in BIH and the comments made on the key

recommendations of Ministers' Committee of the Council of Europe on Local Self-governance in this Region, this paper pays particular attention to the concept of improvement of local self-governance through the quality management standards. While presenting results of the research, in the chapter treating possible models for increasing direct participation of citizens in decision-making at local level, as an example of positive practice we are mentioning Sarajevo Center Municipality. This paper ends with a range of conclusions and recommendations for the activities aimed at a more efficient involvement of citizens in decision-making process at local level.

2. Environment for functioning of municipalities in BIH - General overview

Environment in which municipalities in Bosnia and Herzegovina operate has changed considerably after the Dayton Peace Agreement. Its main features are:

- Territorial definition of post-Dayton municipalities
- Effects of compulsory resettlement of population
- Weak position of municipalities; lack of adequate funds.

2.1. Territorial definition of municipalities in BIH

According to the Dayton Agreement, the territory of Bosnia and Herzegovina is divided into two entities (the Federation of Bosnia and Herzegovina and Republika Srpska) in a proportion 51%: 49%. This division was not based on the boundaries of pre-war municipalities.. Political reasons, rather than ethnic, historic, economic or other reasons, were decisive in this redistribution of territory. Dayton Agreement brought about enormous disproportion between

the municipalities in regard to their dimensions, number of people, economic power etc. Some of them remained the same as before, while many others were minimized to the tenth part of their former size. Besides, during the war the authorities formed new municipalities, primarily based on ethnic criteria. Situation in these municipalities has largely deteriorated due to their dependence on the higher levels of government.

2.2. Great number of displaced persons

Municipalities from both the BIH entities are still facing serious effects of the post-war period, reflected in the great number of displaced persons. On average, 21 % of the population in the Federation and 31 % in RS are resettled persons. That percentage ranges from 12 to 46 in FBiH, and from 22 to 39 in Republika Srpska. In 1999, about 60 % from total of 3,8 million inhabitants of Bosnia and Herzegovina lived in FBiH, while 40 % in Republika Srpska. A distinctive feature of Bosnia and Herzegovina, in comparison to other countries in transition, is that 84 % of the population of FBiH, and 74% of the population of Republika Srpska live in the municipalities with more than 20, 000 thousand inhabitants. Numerous factors – i.e. huge number of people who lost their lives, disappeared or were wounded in the war, sudden and forceful resettlement of great number of people - had a negative impact on the entire social environment in many municipalities. Some municipalities have less than ten percent of their pre-war population (Srebrenica, Drvar, Bosanski Petrovac, Bosansko Grahovo and others). In such a context, there was a disruption of relations between the population of a municipality and its parts. Many newcomers consider their new municipality as a temporary place of residence never developing a sense of belonging. This phenomenon is particularly reflected in the lack of interest for participation in different paths of local life. It also results in

the lack of interest for participation in decision-making in certain environments. On the other hand, municipal bodies are making efforts to help them take an adequate part in the municipal social life.

2.3. Sources of municipal funds

One of the major unresolved questions, which need to be resolved by new local self-governance legislation in both entities, is the question of financing the activities of municipal administration.

Participants at the Conference, held on 8 June 2004 in Sarajevo, on the “Reform of Local Self-governance and Government - Citizen Participation in Local Self-governance”, were unanimous in their assessment that it is necessary to resolve the issue of financing self-governance in the context of overall reform. The statistics indicates that municipalities could use only 10% of its original income, while the rest goes the higher levels of authority. Participants of the Conference advocated the establishment of minimum 35% of overall municipal income to be allocated to municipalities. New system electing mayors and new legislative drafts provide municipalities with a greater jurisdiction in the area of local self-government they would not be able to realize with the current original income levels.

3. Legal framework for local self-governance in BIH

There are significant differences in the constitutional organization of the BIH entities and in the division of powers within them. A distinctive feature of the Federation of BIH is its decentralization, based on domination of cantons and on the vague and uncertain constitutional position of municipalities. There are four different vertical levels of governance

in the Federation of BiH (municipality, city, canton and federation). On the other side, in Republika Srpska, there are only two levels of governance (municipality and entity). There is also a city level, but it is covered by the term "municipality".

If we are to consider the issue of local self-governance in Bosnia and Herzegovina, it is necessary to have in mind that the Constitution of BiH does not make any reference to local self-governance.

Bosnia and Herzegovina is definitely the only European country whose constitution (except for its Annexes) has not a single article regulating the issues of self-governance. The entity laws on local self-governance regulate the rights to local self-governance, the scope of local self-governance, the election of the representatives' bodies, and direct participation of citizens in decision-making process. These laws are also the basis for the statutes of local communities (municipalities and cities).

3.1. Legal arrangements for direct participation of citizens in decision-making at local level in the Federation of BiH

The Constitution of the FBiH (Part VI, Article 2.) stipulates that: "Municipality carries out local self-governance". This provision does not establish the right of citizens to local self-governance, that is, that citizens in the units of local self-governance decide directly, or through elected representatives, on certain public and other issues of relevance for local population. Besides that, this constitutional provision reserves the right to local self-governance mainly to municipality (thus granting the self-governance status to municipality),

but not to citizens, nor does it provide for their right to local self-governance and decision-making in local community. The Law on Foundations of Local Self-Governance defines the scope of self-governance, administrative supervision over the activities of local authorities, sources of funding of local self-governance and other issues important for functioning of local self-governance. Article 3 of the aforementioned Law stipulates that the right to local self-governance encompasses the right of citizens to participate in public affairs through their directly elected representatives, to provide adequate conditions for their life and work, and to protect and advance their common interests. Article 7 of this Law prescribes that the citizens of a municipality realize their right to local self-governance in the municipal affairs determined by the Constitution, as well as by the municipal law and statute . Direct participation of citizens in decision-making at local level is defined by Article 15 of the Law on Foundations of Local Self-governance, stipulating that: “Citizens can directly decide on local affairs of their municipality. Modes of citizens’ direct participation in decision-making are: referendum, citizens’ gathering, etc.”

If we consider carefully the regulations of cantonal legislation on local self-governance, we can see that they, in most cases, copied the provisions from the FBiH Law on Foundations of Local Self-governance. They have worked out the provisions regarding direct participation of citizens in decision-making, the financing of municipalities and their bodies. The only novelties with regards to the FBiH Law are the provisions on regulations and other legal acts relating municipality, as well as the provisions regarding local community, foreseen in the Una-Sana Canton as the optional form of direct participation of citizens in local affairs, while the Canton Sarajevo local community provides for a mandatory form of direct decision-making of citizens in local affairs.

The aforementioned leads us to the conclusion that in the Law on Foundations of Local Self-governance there are no mandatory models of citizens' participation in decision-making at local level. This Law only itemizes the possible models of participation, without their further elaboration or explanation with regards to when and how those models are to be applied.

The most frequent models of participation as stipulated by cantonal laws are: referendum, citizens' gathering and civil initiative. The procedures relating the organization of referendum, the municipal statutes and civil initiatives and citizens' gatherings are regulated by municipal statutes inline with relevant legislation.

3.2. Legal arrangements for direct participation of citizens in decision-making process at local level in the RS

In the course of conducting this research, the Law on Local Self-governance, was enacted in Republika Srpska and published in the Official Gazette of RS No. 35/99. It is, therefore, necessary to consider the key elements of this Law of relevance for this research.

In Republika Srpska, all affairs related to direct interests of citizens, as defined by the Constitution, as well as by the law and statute of municipality, should be carried out by municipality. The Law on Local Self-governance defines municipality as "basic territorial unit of local self-governance, formed for a part of one or more inhabited places that make a territorial and economic unit necessary to satisfy the needs of its population. It is capable of meeting its obligations determined by the Constitution and relevant law as municipal competences".

It is rather interesting that the Law on Local Self-governance does not pay enough attention to direct participation of citizens in local governance. Only one article of this Law treats this matter.

Citizens can decide on the following:

The construction of the utility facilities, and provision of financial resources for that construction, usage and management of such facilities, initiative for adoption and amending regulations and other legal acts that are the jurisdiction of local community, recommendations and objections regarding the functioning of bodies of self-governance, initiative for excluding/including settlements from/into a municipality, as well as other matters determined by the statute of local community.” This Law leaves it to the statutes of municipalities to define the issues regarding the establishment of local communities and models of citizen participation.

3.3. Aim of reforms of local self-governance in BIH and harmonization with the European Charter on Local Self-governance

Concept of local self-governance, determined by European Charter of Local Self-governance implies local self-government as the right and capacity of local authorities to organize and manage, within legal framework, a significant part of public affairs arising from their own responsibilities and for the benefit of local population. It primarily means that local self-governance must meet the needs of citizens and respond to current and constant requests for providing services to local population, and to implement its tasks, building up the infrastructure, financing and efficient governance.

Non-satisfactory condition of local self-governance in Bosnia and Herzegovina is affected by the discrepancy between BiH legislation and the standards of the European Charter of Local Self-governance, as well as by strong trends of centralization, especially in area of fiscal policy.

One could say that, in 2004, many things were done in the field of reform of local self-governance. Number of laws adopted this year speaks for itself. These laws have changed to great extent the unfavorable situation in local self-governance in Bosnia and Herzegovina.

New Election Law was adopted (as a result of campaign initiated by the non-governmental organization Centers of Civil Initiatives). This Law stipulates that mayors shall be elected directly by citizens. Local elections held in October 2004 are the first local elections giving the chance to the citizens to elect directly their mayors and members of municipal councils. This is a step forward in strengthening local democracy, as the cornerstone of democracy.

In order to reach higher degree of compatibility with European Charter on Local Self-governance, there were significant activities linked to the adoption of new laws on local self-governance in the Federation of Bosnia and Herzegovina and Republika Srpska. Draft Law on local self-governance in the Federation of BiH has not been adopted yet, but we expect it to be adopted in the first half of 2005. On the other side, the Law on Local Self-Governance in Republika Srpska was adopted in the RS Parliament and published in the Official Gazette of Republika Srpska No. 101/04, effective as of 1 January 2005. Key features of this latest Law on Local Self-governance in Republika Srpska are high-level decentralization in decision-making process on local issues and strategic cooperation with non-governmental sector. The advantage of this law over the previous ones in Republika Srpska is also high level of depolitization of local self-governance, its professionalism, strengthening of the civil

institutions and participation of citizens in decision-making process. The Law also regulates the issues regarding collection of basic revenues for municipal budget, which was never the case so far. One of the most important principles is definitely the new legal principle regarding the property owned by local self-governance. It defines municipal property as everything that is needed for its functioning and for its meeting the obligations towards citizens. Republika Srpska has adopted comprehensive law, which systematically standardizes the issues of local self-governance. In the same time, there is no codified law on local self-governance in the Federation of Bosnia and Herzegovina. Such situation caused not only legal differences between entities, but also ten different cantonal systems of local self-governance in the Federation of Bosnia and Herzegovina. None of its 10 cantonal systems are satisfactory in regard to the standards of European Charter of Local Self-governance, due to different treatment of the issues of local self-governance. Due to decentralization of the whole system, the Constitution of Bosnia and Herzegovina does not deal with the issues of local self-governance. So, under the current constitutional circumstances, it prevents adoption of the Federation law on local self-governance and the, procedure for amending the Constitution has been initiated. These changes aim at creating conditions for the reform of local governance in the Federation of Bosnia and Herzegovina.

4. Models of direct participation of citizens in decision-making at local level and incentives for citizens to participate in decision-making

There are different ways to involve citizens in decision-making process at local level in the world today. Some of these models (to be mentioned later) are already present in the statutes of the municipalities in Bosnia and Herzegovina. Unfortunately, they are not applied

consequently. The only exception is, as we will see later in Chapter 6, Sarajevo Center Municipality. Its model clearly proves that, in practice, even within the framework of undefined legislation, it is still possible to achieve enviable results.

We will also list the Recommendations of the Committee of Ministers of the Council of Europe to the member states relating the participation of citizens in public life at local level in order to identify the extent to which BIH municipalities (that have obtained ISO 9001/2001 certificates and were subject of this research) are close to the fulfillment of basic requirements of the European Charter on Local Self-governance.

4.1. Models of direct participation of citizens in decision-making at local level

There are different ways of involvement of citizens with process of decision-making at local level, such as: civil initiatives (individuals, interest groups, forms of local self-governance), by submitting the proposals, addressing their requirements - through associations, lobbying etc. Most frequently used models which can be found in BIH municipality statutes are as follows:

➤ Citizens gatherings

Gatherings of citizens are organized with the purpose of discussing all matters that fall within the competence of municipal and city self-governance. At such gatherings, citizens have an opportunity to make proposals and suggestions in order to resolve their problems. Citizens can also propose adoption of regulations that fall within the competence of municipal council. This form of citizen participation in decision-making at local level is most frequently used in practice.

➤ Civil initiative

We speak about civil initiative only when citizens are initiating debate on a certain issue, requiring from municipal council to discuss that matter and make decision.

➤ Referendum

Referendum is one of the forms of citizen participation in the governance where decisions are made through direct vote. Referendum is a form of direct democracy, which enables direct decision-making even in the situation when citizens do not gather at a place to discuss and decide upon the issue of their concern.

➤ Public debate

Public debate, which is not defined sufficiently by the law, exists in practice as a relevant institutional form of citizen participation in social life. Public debates give chance to everyone concerned to consider any public issue and to critically question whether proposed solutions are adequate. While the citizen gatherings are organized for a small circle of citizens who live in an area, public debate involves public at large, i.e. , broad range of citizens.

The above-mentioned models of citizen participation in decision-making process at local level are integral part of all statutes in the targeted municipalities; therefore they are mandatory for all the targeted municipalities. However, practical implementation of these models will be discussed later.

There are different means of stimulating citizens to participate in decision-making process. I consider it is necessary, therefore, to mention here the Recommendations of the Council of Europe's Committee of Ministers to the member states on participation of citizens in public life at local level.

4.2. Recommendations of the Committee of Ministers of the Council of Europe to the member states on participation of citizens in public life at local level

Council of Europe's Committee of Ministers issued a whole range of recommendations, which member states have to respect in order to meet the requirements of European Charter on Local Self-governance. The member states are recommended to formulate directives (in cooperation with local and regional authorities) for encouraging citizens' participation in public life at local level, based on the key principles of the European Charter on Local Self-governance, adopted on 15 October 1985 and ratified by great majority of the Council of Europe's member states. Bosnia and Herzegovina ratified European Charter on Local Self-governance already during the war, in 1994. With the accession to the Council of Europe, in April 2002, Bosnia and Herzegovina has become bound to implement, among other obligations, the European Charter on Local Self-governance within two years following the accession. The Council of Europe's Committee of Ministers' recommendations contain following elements: basic principles of policy of encouraging citizens to participate in the process of democratic decision-making; steps and measures for encouraging and strengthening citizens' participation in public life of local community; steps and measures for encouraging citizens to take part in local elections and in the system of representative democracy; steps and measures for encouraging direct participation of public in the process of

decision-making at local level and in the management of local community affairs; and steps and measures for encouraging those categories of citizens who, for various reasons, take much lesser part in public life of their local community.

We will mention only some of the Committee of Ministers' recommendations. Their emphasis is on the importance of guaranteeing rights of citizens to have access to information on different issues relevant for local community, as well as their rights to take part in making decisions that are relevant for the future of their community. It is necessary to work on raising civil awareness and responsibility, as well as on the promotion of a culture of democratic participation in public life and decision-making. It is also necessary to develop awareness of belonging to community and to encourage citizens to take responsibility for contribution they make to the public life in their community. It is particularly important to build mechanisms of direct participation of citizens in decision-making at local level and to work on the advancement of dialogue between citizens and elected representatives. It is also important to inform local administration on different techniques of public relations and numerous ways of citizens' direct participation in decision-making process. Finally, we have to underline a rather important recommendation: direct participation of citizens has to have real impact on the process of decision-making and citizens have to be informed about the effects of their participation in decision-making, so they could also see the final results of the whole process. It is necessary to follow up the changes introduced in that regard, in order to identify causes of positive and negative developments in citizens' participation. In the same time, effects of adopted mechanisms can be measured.

5. ISO standard 9001:2001

Many municipalities in Bosnia and Herzegovina have recently invested a lot of efforts in the modernization of administration in order to reshape it in accordance with the principles of modern world management of systems applied. These municipalities understand that one of the key ways of changing the existing, rather poor state of affairs in most of the municipalities in Bosnia and Herzegovina is the introduction of quality management standards. This paper pays special attention to the involvement of citizens in decision-making at local level. Thus, it is particularly interesting to get an insight into whether and to which extent the introduction of ISO standards brought about changes in this respect. In this chapter, we will present the basic principles on which ISO standards are founded and their impact on the municipalities in Bosnia and Herzegovina. This will indicate the results of municipalities that have ISO standard in comparison to others - in a campaign for the increase of direct participation of citizens in decision-making process. Special attention will be paid to Sarajevo Center Municipality, as one of the more successful models.

5.1. General requirements of ISO standards 9001:2000

ISO standards 9001:2000 are based on eight principles of quality management

➤ Customer Focus

Every organization depends on beneficiaries, i.e. users of its services. Therefore, it should understand both their current and their future needs so that it can respond to their needs or even go beyond their expectations.

➤ Leadership

The leading management of an organization defines the purpose, direction and internal environment of the organization. They create environment in which their associates become fully involved in the process of realization of organizations' key tasks.

➤ Involvement of People

People at all levels are the essence of an organization and their full involvement makes it possible to use their abilities for the organization's benefit.

➤ Process approach

Desired result is achieved more efficiently when related resources and activities are managed as a process. According to this approach, a quality management system can be considered as a single major *process* that uses many *inputs* to generate many *outputs*. This major process is, in turn, made up of many smaller ones.

➤ System Approach to Management

Identifying, understanding and managing a system of interrelated processes for a given objective contributes to effectiveness and efficiency of the organization

➤ Continuous Improvement

Permanent objective of organization is its continuous improvement. It means that we should not be satisfied with the things achieved, but always seek new ways of improving the quality of our work.

➤ Factual Approach to Decision-making

Effective decisions are based on the logical or intuitive analysis of data and information.

➤ Mutually Beneficial Supplier Relationships

The ability of an organization and its suppliers to create value is enhanced by mutually beneficial relationships.

The above-mentioned principles are the basis of ISO 9001:2000 norm. Each of them is important for the functioning of system. However, for the purpose of this research, the principle of customer orientation, leadership and the principle of continuous improvement can be emphasized as the most important ones. As we can see, basic principle of ISO 9001:2000 is the orientation to customer/consumer of services. From the aspect of citizen participation in decision-making process, the respect for these principles is very important. Therefore, each unit of local self-governance introducing ISO 9001:2000 must examine the citizens' needs in order to meet their requirements .

Leadership is important, given the fact that without strong leaders capable to include all the citizens in the process of attaining municipal goals, municipality wouldn't be able to function properly.

A good leader is also a visionary capable of recognizing good proposals submitted by citizens, so it is very important for each municipality that people in key positions have the leadership qualities. Such individuals could increase confidence of citizens in local authorities.

Finally, the principle of continuous improvement means an effort towards the measurement of effects of adopted models of citizen's participation in decision-making process so that they could be improved further.

5.2. Effects of ISO standards on BIH municipalities

The municipalities of Center Sarajevo, Laktaši and Tešanj have confirmed that there is an improvement of efficiency achieved by introducing quality management services ISO 9001:2000. In this respect, they have continuously worked on the improvement of quality of their work in the last couple of years. Introduction of these standards is in fact the crown of their diligent work on the improvement of conditions for the successful functioning of their municipalities. List of municipalities that have successfully improved their work follows.

a) Sarajevo Center Municipality

The process of improving the functioning of local administration started in Sarajevo Center Municipality in 2000 once it became obvious that citizens were highly dissatisfied with work of municipal administration. Key reasons for their dissatisfaction were the following:

- Incompetent and rude municipal staff
- Unlawful actions in the process of their work
- Slow processing of applications
- Lack of transparency of work
- Lack of any kind of participation of citizens in decision-making and lack of legitimacy of local community bodies whose mandate had been long expired
- Communication with clients/customers was unilateral

In order to remove the causes of non-functioning of the municipality, it was necessary to make changes in existing work of municipal administration. Significant changes were made in regard to the internal organization and systematization, which contributed to the efficiency and effectiveness by means of dissolution of some departments, decrease of the number of employees (while raising level of expertise and reducing expenditures). The municipality started processing the back-load. Consultations with citizens through regular gatherings , as well as training courses, were introduced. Young, highly educated personnel was given a chance of internship. About 120 explicit requirements and eight principles of ISO standards were implemented; all of them being the principles of modern management. Public was informed about the quality policy of Center Municipality. By practicing this policy, this municipality has committed itself to work in a legal, professional, effective, efficient, responsible and reliable work, as well as to undertake proactive and innovative approach. The working hours for providing services are rather reduced (by introduction of information desk). With the introduction of ISO standards, the Center Municipality - Sarajevo has become a good example for the projects of certification of other municipalities in Bosnia and Herzegovina.

a) Laktaši Municipality

Same as municipality Center in Sarajevo, municipal administration Laktaši faced not very satisfactory state of the work of municipal administration. Most important among numerous problems of this municipality were:

- Out-dated technology and organization of work
- Inadequate structure of human resources
- Inefficient information system
- Lack of orientation towards the users

In order to change such state of things it was necessary to undertake some concrete measures.

Following things were done:

- Introduction of information desk for citizens
- Instructions and forms for all kinds of services
- Redefinition of the structure of building, with clear presentation of services
- One-stop shop service provided
- Web page of the Municipality, where one can find the necessary forms and communicate electronically with the municipality
- Developed program packages for office dealings, finances/accountancy, register, economy
- Installed modern software and hardware
- Introduced plan of training of the staff etc.

The above-mentioned actions have brought about a higher level of user satisfaction with the quality and expediency of services, shorter time for providing services, expenditure cuts, particularly relating the staff and time consumption needed for services.

This municipality have obtained ISO standard by the end of year 2003.

a) Tešanj Municipality

A couple of years ago, Tešanj Municipality started with the whole range of activities aimed at the improvement of efficiency of its work. Administration functioned in a rather bureaucratic manner, with extremely underdeveloped program solutions and obsolete technology. Thus, it was necessary to approach process of advancement of activities of local administration. Those advancements resulted in the following activities:

- Computer network was installed connecting all departments, IT equipment procured
- Development of a range of program applications (register office, protection of war veterans, records of displaced persons and refugees, logistical support to citizens regarding reconstruction, work with businesses, functioning of housing authorities, personnel application, financial operations, cadastre service, database of all inputs and outputs...)
- Construction of a teller room for providing services

The municipality obtained the certificate ISO 9001- 2000 in February 2004.

We can draw the conclusion that it is an undisputed fact that the above-mentioned municipalities have managed to improve efficiency of their operations. However, whether the introduction of the quality management system has affected the increase of their effectiveness, i.e., in what volume does they manage to respond to the needs of citizens, is yet to be researched and answered. Therefore, in the next chapters of this paper, we will focus on the

results of research performed in these six B-H municipalities that also includes, besides those three municipalities mentioned above, the three municipalities that have not introduced the standards yet. Our goal is to find out, by comparison of the three municipalities which applied standards with those that have not done so, what will be the answer to the following question: Are these standards the key factor to the increase of participation of citizens in decision-making process at local level?

5.3. Influence of standards “ISO 9000:2000” on citizen’s participation in decision-making process at local level

How much have the municipalities done in the area of involving citizens in democratic processes of decision-making at local level? How successful have they been in animating citizens to engage in activities, which are of general significance for a community where they live? Finally, how different the observed municipalities are in aspect of involving citizens in decision-making processes at local level in comparison to the municipalities which have not applied the quality management system ISO 9001:2000 yet?

The research performed in July and August 2004, was pursued with the aim to try to find out the answers to the above raised questions. The focus of the research were the quantitative indicators, meaning, the total number of decision made in municipalities councils-assemblies in 2004; number of decisions made based on the previous consultations with citizens; level of budget funds of municipalities assigned for grants to nongovernmental organizations. These quantitative indicators are of enormous significance for this research as they show us to what extent have municipalities managed to increase the participation of citizens in decision-making. The number of decisions that were the result of citizen’s participation, is taken as a

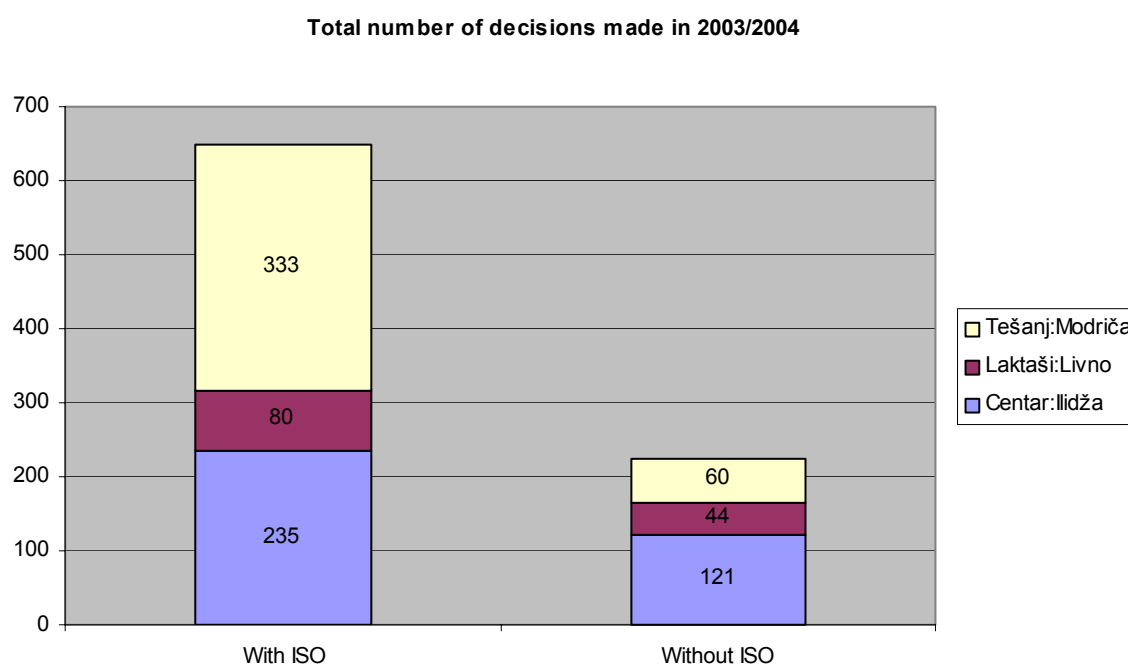
criteria for measuring citizen participation in decision-making process at local level. The quality of adopted decisions has not been elaborated in this research. Funds assigned from the municipal budgets to the associations of citizens are also a good indicator of municipal policy towards citizens.

The research was performed in the three municipalities, which have got ISO standards, and in the three municipalities, which have no ISO standards. For all that, it was taken into account that these are the municipalities with similar structure as well as that these are located in both of the entities. The research has covered following municipalities: Center Sarajevo, Tešanj, Laktaši (municipalities with ISO standards) and Ilidža, Livno, Modriča (municipalities without standards).

Municipality	Has ISO standard			Hasn't ISO standard		
	Sarajevo Center	Laktaši	Tešanj	Ilidža	Livno	Modriča
Total of decisions made	235	80	333	121	44	60
Number of decisions as a result of previous consultations with citizens	196	0	66	—	—	—
Number of citizens gatherings	93	-	20	84	0	60
Citizen initiatives	720	0	66	181	0	
Citizen suggestions		0	66		0	
Municipal budget	25.346.170,00	12.540.000,00	6.231.500,00	10.655.800,00	8.400.000,00	5.043.000,00

Funds in municipal budget for NGOs	740.541,00	18.000,00	87.600,00	518.800,00	32.400,00	48.000,00
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The analysis of the research results shows that municipalities that have applied the standard, show somewhat better results than municipalities without standards.



However, not all three municipalities that have applied the said standard achieved such the excellent results as the Center Sarajevo Municipality. Namely, in this municipality one can see 118% increase of citizens' participation in decision-making process compared with 2002. It is apparent that the municipalities of Tešanj and Laktaši, besides successful internal functioning of administration, have not achieved any progress in this regard. All of these municipalities have harmonized their statutes with the European Charter on Local Self-governance. Their statutes include different forms of participation of citizens in decision-making process, and among those, the most frequent are the gatherings of citizens, referenda, and civil initiatives. Also, these statutes define precisely the manners of forming a local

community. Though, we can say that the Sarajevo Center Municipality is the only one that regularly applies the modalities defined by its statute. This municipality does not make a single decision without previous consultations with its citizens. But, it does not mean that all decisions made are the result of citizens' proposals. Only those proposals that are viable are taken into consideration. Number of decisions issued as a result of previously pursued consultation with citizens is rather high in Sarajevo Center Municipality. According to the results of this research, the number of such decisions, out of the total number of decisions made, is 83%.

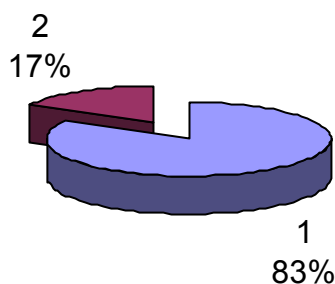
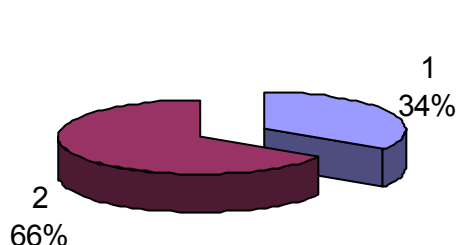
It is interesting that in Laktaši Municipality, which has applied ISO standard, the citizens have not made a single initiative. In this municipality, citizens realize their participation in local self-governance by directly submitting a request to the competent bodies that propose regulations upon those submissions, or through political parties, council members and assembly caucuses. The conclusion to be drawn is that Laktaši, although it its statute anticipates different modalities of direct participation of citizens in decision-making process, does not exercise direct consultations with citizens in practice. This may imply that the decisions made at the Municipal Assembly sessions are the reflection of the will of political parties rather than that of the citizens.

Tešanj Municipality practices the involvement of citizens, but the number of decisions made with the previous consultation with citizens is rather low in comparison to the total number of decisions made (19,8%), which brings us to the conclusion that quality participation is still lacking.

None of municipalities without ISO standard that were the subject to this research has any data on the number of decisions made with previous consultations. It appears that, for example, the municipalities of Ilidža and Modriča do practice the gatherings of citizens, but the fact that they have no data on the number of decisions made upon previous consultations

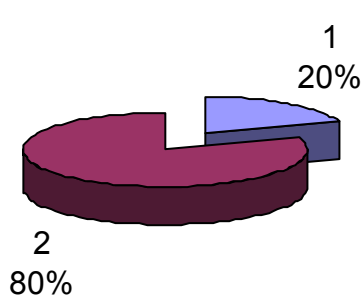
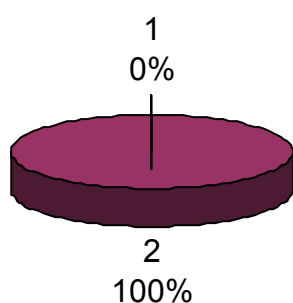
with their citizens demonstrates that they do not have a well-established database. In accordance with the data, we have not managed to obtain, Livno municipality, which also has not applied the standard, does not practice the gatherings of citizens, nor does it have any data on the number of civil initiatives and the proposals made by citizens.

Decisions made with direct participation of citizens (1) vs. decisions made without direct participation (2) in municipalities with ISO standard:



Average percentage in municipalities with ISO

Sarajevo Center



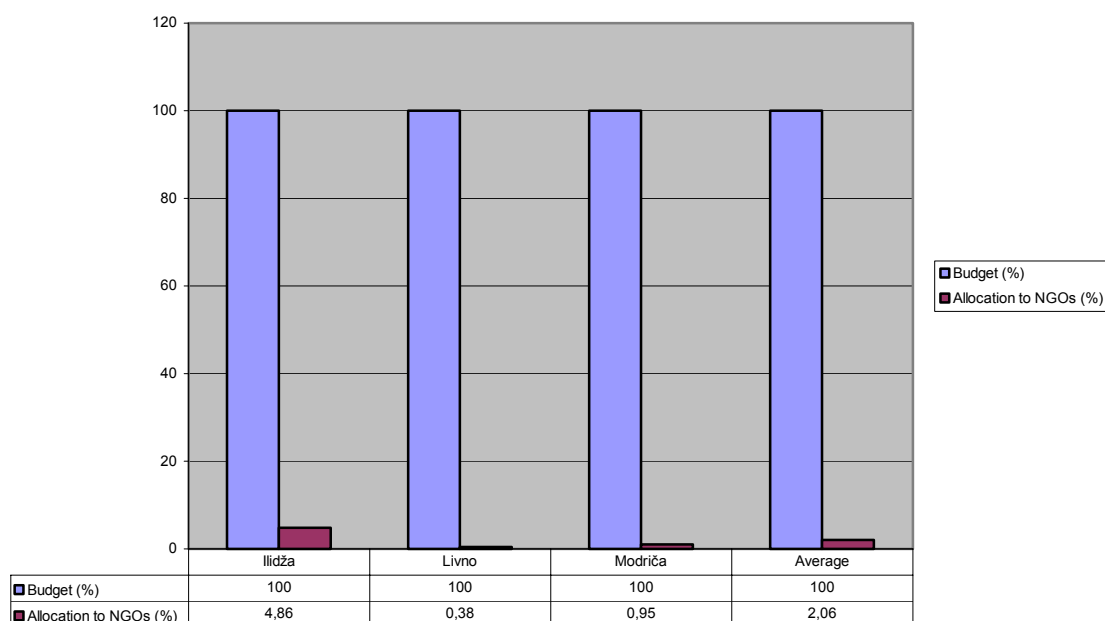
Laktaši

Tešanj

Total number of decision-making processes upon previous consultation with citizens in municipalities with ISO standards is 34,26%. This means that one third of total number of decisions is the result of previously organized consultations with citizens where their suggestions and proposals were adopted. Proposals and suggestions made by citizens are

partly related to the reconstruction and investment to maintain utility infrastructure. When analyzing the total number of gatherings of citizens and the number of civil initiatives in the municipalities which have applied ISO standard (excluding the Municipality of Livno for which we have no data), and in municipalities without those standards, we can conclude that the municipalities with ISO standards are much more efficient (325% n average) then the municipalities without them. This means that the municipalities without ISO standards have organized three times less citizens' gatherings in comparison with the municipalities with ISO standards.

Total number of citizen gatherings, civil initiatives and proposals submitted by citizens

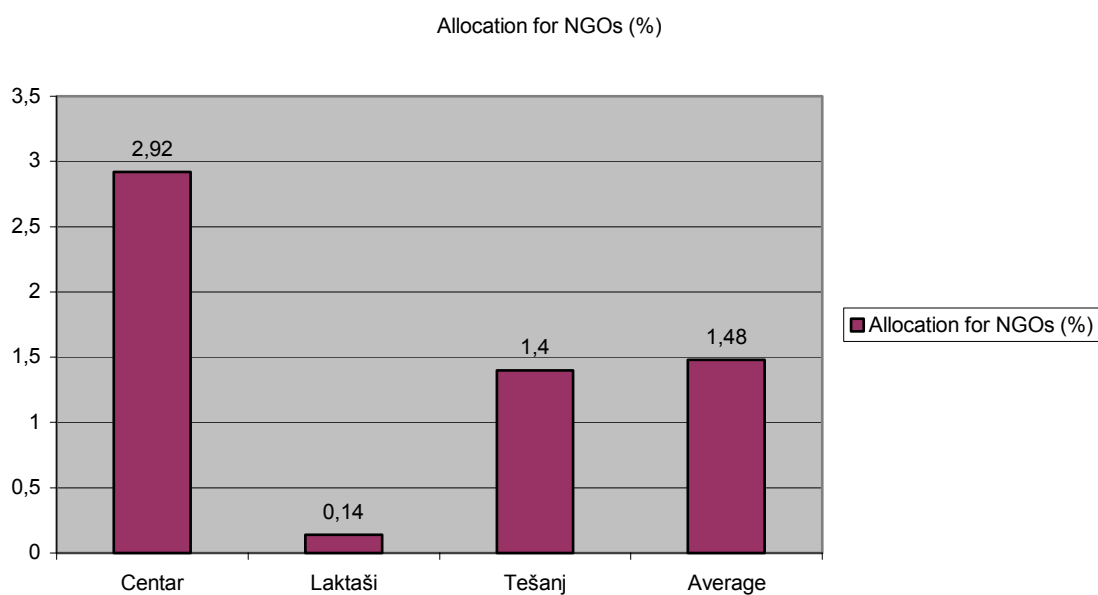


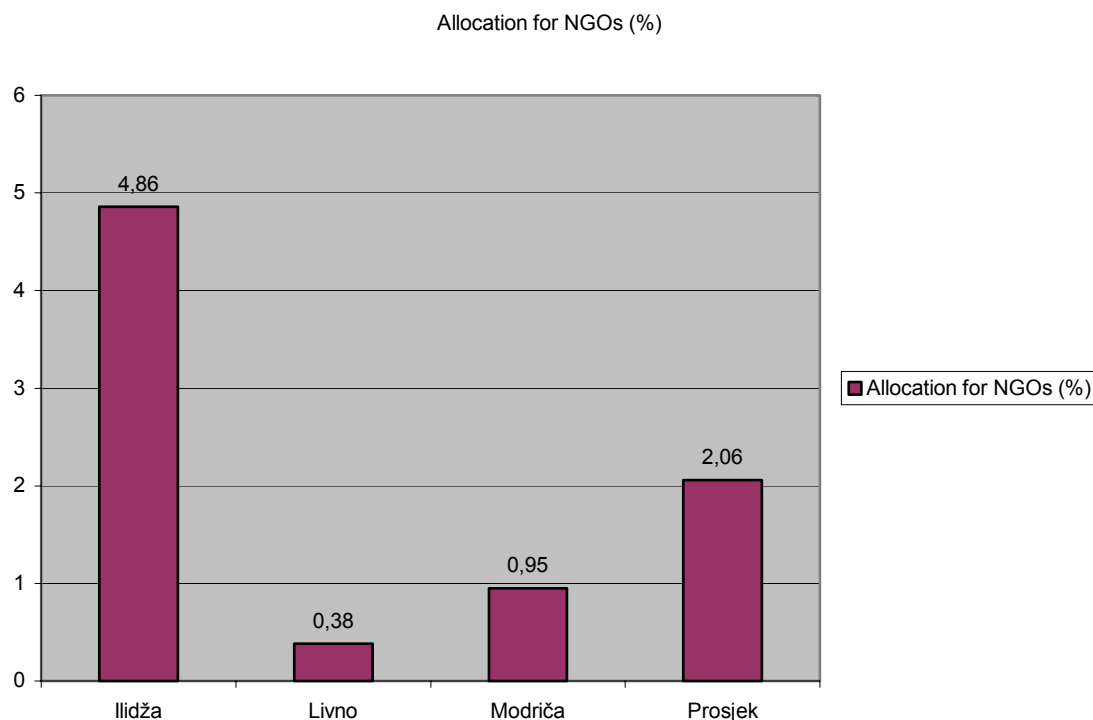
In the course of analyzing the budget of these municipalities, we have made effort to determine what is the amount of funds these municipalities assigned for associations of citizens and by doing so, helping their activities. In comparison to the total revenue, Ilidža is the municipality that assigns most to citizens' associations. This municipality allocates 4,86% of its budget to citizens' associations. These funds are allocated to different associations. The Municipality of Ilidža allocates most funds to the associations of war veterans, paraplegics, humanitarian organizations, boy scouts, sport organizations etc. Among these, there is a nongovernmental organization (Democratic Initiative of Sarajevo Serbs), which is engaged in promotion of the values of civil society and democracy. The municipality that invested the least amount of its budget to citizens' associations is the Municipality of Laktaši with only 0,14% of the total budget allocated to this purpose. The Center Municipality allocates 2,92% of its budget for the grants to nonprofit organizations.. This year for the first time, funds were allocated from the budget of Center municipality for the projects designed and realized solely by youth organizations (10.000 KM). Funds were also allocated for the scholarships through the NGO "Education Builds B/H" in the amount of 20,000.00 KM. Center Municipality also supported, through its budget, the projects of nonprofit organizations directed to social security, health care, education, culture, sports, environment, human rights and development of local community – the beneficiaries being the citizens of Center Municipality, especially young people, and before all, youth attending elementary schools. In the budget of Tešanj Municipality, 1,4% of the funds were allocated for associations of citizens. The Livno Municipality allocated 0.38% of budget to associations of citizens, while Municipality of Modriča allocated 0.95% for the same purpose. Total percentage of allocations for associations of citizens in the municipalities that apply ISO standard amounts to 1,48%, while in the municipalities without ISO standard, it amounts to 2,06%. The research results mentioned above, pointed out that the municipalities which adopted ISO standard allocated

less funds from its budget to citizens associations than those without ISO standard. However, municipalities with ISO standard allocate more funds for realization of initiatives of associations and nongovernmental organizations that act as active participants of local community. On the other hand, municipalities without ISO standard are focused more on providing support to humanitarian organizations, war disabled and associations of paraplegics. The question is why municipalities without ISO standard rarely allocate its budgetary funds to the organizations different from those mentioned above? Unfortunately, with this research, I didn't manage to obtain the information on actual citizen participation in adopting municipal budget in the municipalities without ISO standard. The reason for this is the lack of evidence on citizen participation, as a result of organizational problems. I assume that the organization of these municipalities based on the ISO 9001:2000 principles of quality management must lead to adequate involvement of citizens in decision-making process related to municipal budget. If a municipality is modernized towards introducing ISO 9001:2000, its primary goal must be the orientation to beneficiaries of its services. It means that municipalities, before making decisions on their budget, must take care of actual needs of local population, involve them in local affairs, and work, together with citizen's, on improving the living conditions of the local community. Municipalities with ISO standard have met this first principle of quality standards far more than others. It means that needs of citizens have to be consulted before making any decision. Therefore, it is crucial for strategic planning in municipalities to analyze needs of citizens which can be done in the best possible way, through the application of modern modalities of citizen participation in decision-making process. Results of this research demonstrated that municipalities that apply ISO standards do comply more with this principle and therefore, we can say, that modernization of local administration is a route to a more efficient and more effective administration. This approach brings about the involvement of all the stakeholders of local community and enables a smooth

operation of municipal services. In addition, it is evident that the Municipality of Center Sarajevo demonstrated exceptionally good results in the course of application of this concept of modernization in compliance with ISO 9001:2000. It proves that in the existing legal framework, application of basic principles of ISO standards can result in excellent results.

Percentage of allocation from municipal budget to NGO sector vs. total municipal budget:





5.4. An example of good practice: Municipality of Center Sarajevo

Given that this municipality appeared to be most successful in involving citizens in decision-making process, we would like to single it out as an example of good practice.

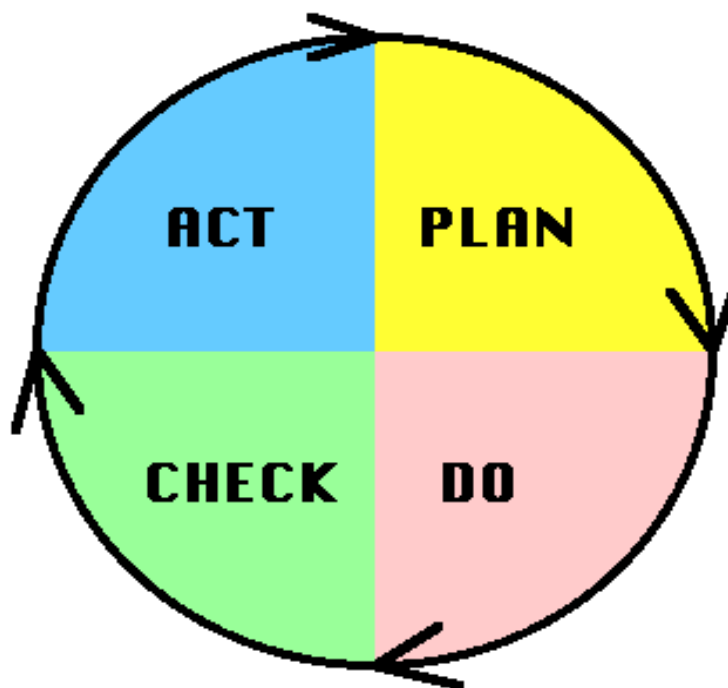
There are numerous reasons that led responsible persons in the Sarajevo Center Municipality to change general dissatisfaction with the functioning of local self-governance. This dissatisfaction had been caused by slow administration, rudeness and the lack of professionalism of the staff employed in the Municipality, the lack of transparency and the lack of involvement of citizens in decision-making processes in the matters of importance for local community, the lack of business ethos etc. In 2000, the leaderships of this Municipality undertook a number of specific measures in order to change the situation. Upon an analysis of

the work of municipal services in 1999, conclusions were drawn that there was an over-staffing of municipal departments, and that the staff was rather incompetent and inefficient. Lack of competence and efficiency of the staff, was resolved by the increase of the number of employees – no doubt, a wrong way of resolving the problem. More than half of the staff had university degree, and among them more than a half were graduates of technical schools, which are not appropriate type of education for one to work for a Municipality. Besides, there were too many senior officials and their deputies working in municipality. Administrative services were divided into different departments led by heads of departments and their deputies. In order to resolve this issue, the Rulebook on Internal Organization of Municipal Services was adopted, reducing the staff from 308 to 226, whereby the share of employees with university degree was doubled, while departments as internal organizational units were eliminated. These changes made 59 employees redundant. In order to take care of the staff made redundant by this reorganization, the Municipality adopted the program for the redundant staff by which the private businesses that rents municipal premises for their operation were offered incentives to employ a number of municipal staff, in accordance with their education level, while individual cases were resolved in cooperation with other organizations. Thus, there were 27 vacant positions in municipality that require university degree. A decision was made to employ volunteers and interns from whose ranks the best candidates would be permanently employed after they the expert exam. These interns had mentors who monitored their work. Also, within the plan of reorganization of Center Municipality, the initiative was taken to change the Cantonal decision on wage scales that were considered unrealistic. Now, the Municipal Council determines wage scales. Now, less money is spent in comparison to 2000 because of the downsizing of the staff even though wages have been raised.

Great attention has been paid to professional training of the staff members. Annually, 80 to 90 courses were realized, some of them targeting the whole staff, some only specific groups. Besides annual planning, monthly and daily planning were also introduced. Senior officials are obliged to submit the reports to the Head of Municipality with the calculation of wages containing proposal for raises, i.e., reduction of wages based on the results as documented in those reports. This method of planning ensures the realization of annual goals set upon a certain dynamics and permanent improvement following the Deming cycle: PLAN, DO, CHECK, ACT.

- **PLAN:** Design or revise the business process components to improve results
- **DO:** Implement the plan and measure its performance
- **CHECK:** Assess the results and report the results to decision-makers
- **ACT:** Decide on changes needed to improve the process

Deming's PDCA cycle can be illustrated as follows:



Aiming at creating conditions for a more transparent and more accountable operation of local governance, through participation of citizens in decision-making process, Center Municipality has done following:

1. Adopted the new Municipality Statute with modern provisions regulation citizen participation in decision-making process;
2. Amend the Decision on Reorganization of Local Communities. Currently, there are 15, considerably less than previous 22.
3. Adopted the Rulebook on Local Communities
4. Selected the Council members in accordance with the Statute and Rulebook On Local Communities
5. Appointed to the positions of secretaries of the local communities, highly educated professional and proactive personnel, in order to mobilize potentials of local community, reorganize different groups of citizens in local communities, carry out specific projects.
6. Organized issuance of excerpts from register books, i.e. certificates at local communities
7. Secured premises for all local communities to be able to carry out different activities
8. Citizens are more comprehensively informed about the activities undertaken by municipal bodies through the Municipal Bulletin
9. Municipal budget and activities financed from the budget are planned upon the proposals made by citizens at their gatherings.

Thanks to all these activities that resulted in getting ISO 9001:2000 certificates, Center Municipality managed to realize high degree of citizen participation in their operation. It is of

particular importance that there is *continuous trend of growth of the number of citizens* in all aspect of participation, which resulted in high level of citizen's confidence in local authorities, that have become more accountable and focuses on the issues citizens indicated as relevant for their needs. This means that Center Municipality manages to respond to the needs of citizens that result from the fundamental principles of ISO standards. In this regard, the Municipality has to operate following its primary goal: to meet the formulated and anticipated future needs and wishes of the beneficiaries of municipal services.

6. Conclusions and recommendations

We have seen that BH municipalities are focusing more and more on the modernization of its administration. In that regard, more and more municipalities in Bosnia and Herzegovina have started the process of harmonizing its functions with the requirements of ISO 9001:2000. This very research demonstrated that even municipalities with applied ISO standards did not implement best some of the basic principles that are they very basis of ISO standard. This conclusion primarily relates to insufficient focus on the needs and requirements of population living in the territory of a certain municipality. It also relates to inadequate treatment of non-governmental organizations in the budget. Most of the municipalities have no records on the compliance of decisions made at the level of municipal bodies with the needs and requirements of their citizens. This will result in the situation where municipalities are more focused on the increase of internal efficiency, the organization of work and services, rather than on the effective achievement of the priority social goals expressed through requirements of their population. This is especially related to the municipalities of Laktaši and Tešanj that

have recently established quality management system. However, given the short period of time and the fact that they still haven't finished the required annual review of their work, they could not identify problems and find adequate ways to improve their work according to ISO 9001:2000. The good practices of Sarajevo Center Municipality demonstrate that it is possible to increase external effectiveness by proper implementation of standards. When analyzing the factors of the success of Sarajevo Center Municipality in terms of proper application of ISO standards, the following conclusion can be drawn:

1. It is necessary to work on establishing the quality management system according to ISO standards in all the municipalities in Bosnia and Herzegovina
2. Besides establishing the quality management system it is necessary to work on the education of municipal staff in order to meet the requirements of ISO standards
3. It is necessary to work on harmonizing legal framework with the requirements arising from international standards and regulations in this field. In relation to this, it is necessary to focus on application of Recommendations of the Committee of Ministers of the Council of Europe to the member states on the participation of citizens in public life at local level
4. It is necessary for municipal administration to understand correctly the first requirement of ISO standards, i.e. that primary strategic orientation of municipality should be the orientation towards meeting the requirements and needs of municipal population, who, according to ISO standards, are the beneficiaries of the services provided by municipality.
5. Municipalities need to understand correctly the role of non-governmental sector regarding development of democracy and transparency. In this respect, it is incumbent upon municipalities to provide greater financial and other assistance to non-

governmental organizations. Given that these types of organizations do a good deal of work, which would otherwise be performed by municipalities, non-governmental organizations represent, in light of ISO standards, a service supplier for municipalities and, therefore, special attention needs to be paid to them.

This research demonstrated that obtaining ISO certificate 1999:2000 does not automatically mean the increase of effectiveness in decision-making process at local level. Therefore, this point together with recommendations, which could be reached as the result of another research, has certain relevance. It is necessary to underline that these recommendations make sense only if applied in a cumulative manner. Otherwise, only symbolic improvements could be expected from the municipalities in Bosnia and Herzegovina - with or without ISO standards.

And finally, I would conclude this paper with the words of Mr. Ferid Mustafić, an expert associate in Department for Information of Tešanj Municipality: “.... *But nowhere, not even here, ISO or any other standards adopted in an environment to meet internal purposes only will result in a new quality. It means that citizens will not be more active due to those standards. But, if they use such instruments in the best possible way, as a new chance and opportunity - they do have enough tools for shaping the decisions of their government. The authorities do respect adopted standards, so if citizens are made familiar with them and accept them, it surely gives them the opportunity to influence local authorities directly and it is the only way to hope for better results*”.

7. Annex: Interview with: Ljubiša Marković (Mayor of Sarajevo Center Municipality 2000 - 2004), Ferid Mustafić (expert associate in Tešanj Municipality), and Ranko Karapetrović (Mayor of Laktaši Municipality 2000 - 2004).

1. What are the ways of direct citizen participation in decision-making process?

Ljubiša Marković: “Citizens can participate directly through personal contact, by submitting requests (written, oral and by telephone), through citizen initiatives, association of citizens and citizen gatherings”.

Ranko Karapetrović: “Through councilors, citizen gatherings, community councils and through questionnaires aimed at analyzing citizens’ needs. Through questionnaires, different issues are analyzed, especially with the support of non-government sector.

Ferid Mustafić: “ Civil initiatives, projects in local environments, by “leaders” proved in local environment, by elected councilors, by submitting requests for support from municipal budget, by proper election of local representatives, through citizen associations and by lobbying”.

2. Do you keep records on citizen participation?

Ljubiša Marković: „ Yes. Center Municipality keeps records of citizen participation and information can be reached after submitting the request to the relevant department.”

Ferid Mustafić: “In most of the case. Records are kept in local communities, associations of citizens, local authorities etc. Authorities keep records on all civil initiatives, especially those concerning the participation in adopting the municipal budget and strategic planning. Systematic and cumulative data, analytically processed and used to strengthen connections between citizens and authorities, as a form of expressing the respect for citizens in the process of making important decisions, still doesn’t exist to the extent I would consider as adequate.”

3. In your opinion, what are the main reasons why citizens do not participate in decision-making process, for example, why they rarely respond to the citizens gatherings?

Ranko Karapetrović: „Lack of motivation. If municipality doesn’t respond to citizen’s requests, they tend to give up. Citizens are also not given enough incentives. “

Ljubiša Marković: „Part of the problem also lies with local communities, which, often affected by personal problems, do not make decisions in line with citizens’ interest.”

Ferid Mustafić: “Some consequences relate both to the war and to the opinion that citizen is only the “voting machine”. There is also a lack of education relating rights, possibilities and forms of realization of the “Citizen-as-Institution” concept. There is evident passivity of NGOs relating the issues of their concern.”

4. Do you think introducing ISO 9001:2000 had any influence on the increase of citizen participation in decision-making process? If so, why?

Ferid Mustafić: “Not particularly or as a direct and positive measure. Introducing standard itself has the greatest effect in relation to administration focused on citizens in the sense of providing services; most of its procedures are based on that premise..... In our municipality, standards have meant a step toward fulfilling the mission of municipal authorities; brought a number of visible organizational advancements, change the awareness of civil servants within municipal administration..... But nowhere, not even here, ISO or any other standards adopted in an environment, and for internal purposes alone, would result in any new quality. It means that citizens will not be more active due to those standards. But, if they use such instruments in the best possible way, as their own opportunity - they do have enough tools for shaping governmental decisions. Authorities do respect adopted standards, so if citizens become familiar with them and accept them as an opportunity to influence local authorities directly- we can expect better results”.

Ljubiša Marković: „Yes, because these standards require the recognition of citizens’ needs. The municipality with ISO standard does analyze those needs in different ways and that is its key advantage vs. other municipalities.”

Ranko Karapetrović: „Yes. ISO has enforced upon us the obligation to examine the level of satisfaction of our beneficiaries, who are also requested to submit their proposals for improvement of the functioning of municipality. ”

5. What would you recommend for improvement of direct citizen participation in decision-making process?

Ljubiša Marković: “To opt for introducing ISO standard and to provide premises and resources necessary for the fulfillment of the requirements of ISO: Also, consideration should be given to the citizens’ proposals and we need to motivate citizens for active participation in decision-making process at local level.”

Ferid Mustafić: “To bring forth the vision and mission of the development of local environment; to involve institutionally local leaders (educated, hardworking and honorable figures), in the process of formulating the vision of the development of local environment; to enable councilors to communicate with citizens; to require from authorities to exercise long-term planning of activities and projects, as well as their systematic monitoring.”

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